



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

HEARINGS

BEFORE THE

SUBCOMMITTEE

OF THE

U.S. Congress.

HOUSE COMMITTEE ON APPROPRIATIONS,

CONSISTING OF

MESSRS. W. A. STONE, BLUE, NORTHWAY,
ROBERTSON, AND LAYTON,

IN CHARGE OF

PENSION APPROPRIATION BILL FOR 1898.



WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1896.



UB373

A3

1898a

copy 2

PENSION APPROPRIATION BILL.

COMMITTEE ON APPROPRIATIONS,
Friday, December 4, 1896.

The subcommittee of the Committee on Appropriations, having under consideration the pension appropriation bill, this day met, Hon. William A. Stone in the chair.

STATEMENT OF MR. D. I. MURPHY, COMMISSIONER OF PENSIONS.

The CHAIRMAN. I notice in the first section for army and navy pensioners new language in italics as follows:

"And all other classes of pensioners who are now borne on the roll, or who may hereafter be placed thereon under the provisions of any and all acts of Congress."

I am told by Mr. Courts, the clerk, that that language was inserted to cover the criticism that has been made on our bill heretofore, that it did not, technically construed, include the soldiers and sailors of the war of the rebellion. [To Mr. Blue.] By whom was that criticism raised?

Mr. BLUE. It was raised by several; but I will state that the language was never clear to me.

Mr. MURPHY. That will meet the point, will it not?

The CHAIRMAN. It seems that will cover it. Has anybody any suggestions to make as to the improvement of it?

Mr. NORTHWAY. Instead of saying, "All other classes of pensioners," why not put it, "All other pensioners who are now borne on the roll," etc.? That would cover everyone who draws a pension.

Mr. MURPHY. Yes.

The CHAIRMAN. I see the estimate for 1898 is \$140,000,000. I understood and had supposed the time was pretty near when that could be safely reduced somewhat. What have you to say about the necessity of maintaining that amount in this bill?

Mr. MURPHY. I think that same amount should be appropriated for the next fiscal year, for this reason. As long as I remain in the Pension Office, not very long now, I am making a great effort to get up completed cases and put them upon the rolls and have them finally acted upon. There will be more allowances this present fiscal year than last.

The CHAIRMAN. Of course, we understand you have been in only a very short time, but we understand you know all about it, just the same. What was expended for the fiscal year ending June 30, 1896?

Mr. MURPHY. \$138,214,761.94.

The CHAIRMAN. What will be expended for the fiscal year ending June 30, 1897?

Mr. MURPHY. You refer to this present fiscal year?

The CHAIRMAN. Yes.

Mr. MURPHY. I think something over that amount, probably about \$139,000,000, or a little bit over that, as near as I can get at it.

The CHAIRMAN. I have not gone through this report, and we could have obtained the information by reading the report, but I would ask, is the pension roll still as large for the fiscal year 1897 as it was for the year ending June 30, 1896?

Mr. MURPHY. The rolls last year showed an increase of 174 names. The deaths last year were very heavy, nearly 30,000 deaths on the pension rolls last year. During this fiscal year the deaths of course will probably be more than that; I imagine about 32,000 will die this year, and the next year the probability is the number will still increase; but I anticipate a more liberal policy than has been prevailing, and we will expend more money.

The CHAIRMAN. These questions will be asked us when we bring in this bill, and probably a great many more than we may think to ask you now, so what I want to get at is whether the amount you have required in your estimate for the

fiscal year ending June 30, 1896, is estimated from the policy that has prevailed during the last two or three fiscal years or whether it is estimated from the idea that a more liberal policy will prevail.

Mr. MURPHY. That is the idea exactly, that a more liberal policy will prevail.

The CHAIRMAN. If the same policy prevails that has prevailed during the last three or four fiscal years, what will be the amount you would estimate. Could it be reduced any?

Mr. MURPHY. I do not think it would be safe to reduce it any.

The CHAIRMAN. I do not think we would be justified in appropriating money in anticipation of any policy. We ought to appropriate money from a knowledge, as near as we can get it, of the wants of the Department, based on existing conditions.

Mr. MURPHY. Exactly.

The CHAIRMAN. Now, then, what we want to know is whether the amount which you have required for the next fiscal year is justified by the roll in its present condition in your anticipation of the additions and deductions that will be made by deaths?

Mr. MURPHY. Yes; I think it is warranted.

The CHAIRMAN. You say in the fiscal year ending June 30, 1896, you expended about \$138,000,000?

Mr. MURPHY. Yes.

The CHAIRMAN. And that there will be expended during the fiscal year ending June 30, 1897, about \$139,000,000?

Mr. MURPHY. Yes; or close to \$140,000,000.

The CHAIRMAN. And that the death rates are, however, increasing?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. What did the pension roll lose by death? It is often the case that by death the pension roll does not lose anything, because there are widows, minor children, or dependents who take up and continue to receive the pensions; and what I want to know is what amount would the pension roll be reduced for the fiscal year ending June 30, 1897, by deaths?

Mr. MURPHY. I should say over 30,000 names.

The CHAIRMAN. What amount will it be increased by adjudications?

Mr. MURPHY. Let me say, as I remarked a moment ago, as soon as I became Commissioner of Pensions I attempted to make new rules to abridge our red tape and technicalities—

The CHAIRMAN. We are not criticising.

Mr. MURPHY (continuing). And I determined as long as I remained in the Bureau it should be a business institution, and I have been getting out of the files ever since I have been Commissioner cases on which there has been no action, some pigeon-holed for years, I am frank to say, and I am getting them completed and having them acted upon; and so I say there will be more allowances this year than last, many more allowances.

Mr. NORTHWAY. And the allowances will make up for the deaths?

Mr. MURPHY. Yes, sir. Furthermore there will be more allowances under the general law than formerly, because I found under former administrations—I am speaking of Mr. Raum's administration especially; he had sidetracked all general law cases, for what object I do not know; he thought probably it was better to make allowances under the act of June, 1890, and sidetrack general law cases. Many of those cases I have had taken up, and I find many of those cases practically complete, or requiring but little further evidence to complete.

The CHAIRMAN. Do you not know another thing: In many instances pensioners would be advised to abandon their general law cases and to make a new application under the act of 1890. I always supposed it was because the claim if adjudicated under the general law would give them a large sum of money, while if they got a pension under the act of 1890 it would be a small amount, and that it was on that account that such suggestions were made, and they were made from the Pension Office.

Mr. MURPHY. I know that.

The CHAIRMAN. I understood you to say you have taken up these general law cases and will go through them with a view of adjudicating those that are ripe for adjudication, and make calls for further evidence in cases not completed.

Mr. MURPHY. Yes, sir.

The CHAIRMAN. When did you become Commissioner of Pensions?

Mr. MURPHY. I assumed the office on the 28th day of May, 1896.

The CHAIRMAN. When you speak of a more liberal policy, you mean a rather more just policy, do you not—with a view of adjudicating cases that have been, to use a common expression, sidetracked?

Mr. MURPHY. Perhaps the better expression would be, a more businesslike policy.

The CHAIRMAN. Perhaps so, because we do not like to think there is any policy except a legal adjudication of a case when the merits and the law warrant it. The

idea of granting or adjudicating a pension is abhorrent to the public in the view that it is a matter of policy there one way or another. It should be always a matter of justice and law.

Mr. MURPHY. Yes, sir; but you know men differ in their ideas of construction.

The CHAIRMAN. But you do not mean to convey the idea that the rules are to be modified or that—

Mr. NORTHWAY. Why not liberalize the construction of evidence?

Mr. MURPHY. Let me say this one thing: I have been in the Pension Office many long years, since 1871, with the exception of four years during Mr. Harrison's Administration, and I have always felt this way: A spirit of liberality brought the pension laws into existence, and they should be construed the same way, and as long as I remain there I shall so construe them.

Mr. NORTHWAY. And we must remember that if so construed it must take a large sum of money.

Mr. MURPHY. And that is why I asked for the \$140,000,000.

The CHAIRMAN. If the policy that you have adopted since you became Commissioner of Pensions is pursued—that is, of going over these general cases and adjudicating where the cases are ripe for adjudication, without regard to the amount of money that may be due the pensioner, and a course pursued with a view of working cases off and have them adjudicated one way or another—if that course is pursued during the fiscal year 1898 you will require, in your judgment, \$140,000,000?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. How many cases are still pending unadjudicated?

Mr. MURPHY. The number of claims pending the 30th of June, 1896, was 495,664.

The CHAIRMAN. What was the number on the 30th of June, 1895?

Mr. MURPHY. There were 56,546 less than that. Table No. 19 on page 53 will show all that. It would be 552,210.

The CHAIRMAN. In that fiscal year can you state where it states how many cases were adjudicated during the fiscal year ending July 1, 1896?

Mr. MURPHY. Yes, sir. There were 90,640 allowances last year.

The CHAIRMAN. Then there must have been about 40,000 new cases?

Mr. MURPHY. There were 33,749 new claims of all kinds.

The CHAIRMAN. Do you anticipate for the fiscal year 1898 that there will be as many new claims or that there will be a larger percentage of adjudications; which?

Mr. MURPHY. There will be just as many new claims filed, because applications for increases are being filed constantly. Those are considered as new claims.

The CHAIRMAN. You think for the fiscal year 1898 there will be as many new claims filed as in the year of 1897?

Mr. MURPHY. I think so, sir.

The CHAIRMAN. You think there will be more adjudications?

Mr. MURPHY. Yes, sir; I think there will be.

The CHAIRMAN. Because of the fact the cases will have further testimony taken and be riper for adjudication, and that the time will be to the advantage of the applicant?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. Of course it is getting time for them to have their pension if they are to have it during this life.

Mr. MURPHY. They ought to get that.

The CHAIRMAN. And for that reason and for the other reasons you think \$140,000,000 is necessary?

Mr. MURPHY. I think it is necessary.

The CHAIRMAN. Let me ask you in reference to some legislation which I think was passed by the Fifty-third Congress for the reinstatement of pensioners suspended. Was that practice enforced in the Bureau?

Mr. BLUE. I see in the statement there have been comparatively few restorations.

Mr. MURPHY. You refer, Mr. Stone, to the act of March 6, 1896?

The CHAIRMAN. No; I refer to the act that was passed in the Fifty-third Congress, which is as follows:

"That no pension heretofore, or that may hereafter be, granted to any applicant therefor under any law of the United States authorizing the granting and payment of pensions on application made and adjudicated upon shall be deemed and held by all officers of the United States to be a vested right in the grantee to that extent that payment thereof shall not be withheld or suspended until, after due notice to the grantee of not less than thirty days, the Commissioner of Pensions, after hearing all the evidence, shall decide to annul, vacate, modify, or set aside the decision upon which said pension was granted. Such notice to grantee must contain a full and true statement of any charges or allegations upon which such decision granting such pension shall be sought to be in any manner disturbed or modified."

Mr. MURPHY. That does not restore any pension; it simply provides that due notice shall be given.

The CHAIRMAN. That is true that it does not restore any pension, but it does provide that no pension shall be suspended except on notice to the pensioner with a statement of the cause.

Mr. MURPHY. Yes, sir; that has been strictly complied with both under Judge Lochren's administration and my own.

The CHAIRMAN. I am not complaining of your administration and I do not especially wish to reopen a controversy that has been going on ever since; but in the notices which were sent to pensioners is it not true that the fact of the cause of suspension was rather given generally instead of specifically? For instance, a pensioner who has a pension will receive a notice to the effect, "You are regarded as not pensionable," but no reason would be given as to why and wherefore he was not. I have seen a number of such notices.

Mr. MURPHY. That was probably true of some time ago.

The CHAIRMAN. I must say I never saw one which would give real light to the pensioner, where the cause was given such as a pleading would declare the reason.

Mr. MURPHY. You have not seen the recent notices; they are very full.

The CHAIRMAN. I understand, then, there has been an improvement in these notices?

Mr. MURPHY. Yes, sir; Judge Lochren did that himself before he went out.

The CHAIRMAN. I am not asking who did it. Under the act of 1893 there was an intention embodied in it that the pensioner should have what might be called a day in court to show cause why his pension should not be suspended, but as it was, no notice ever declared anything intelligently to a pensioner, which is a just ground of complaint for all those old soldiers.

Mr. MURPHY. Each particular case stands upon its own foundation; there are very few cases alike.

The CHAIRMAN. They used to use blanks and say, "You are not disabled in a pensionable degree." Now, what on earth would that convey to the man?

Mr. NORTHWAY. Suppose a person has a pension on the ground of rheumatism and on the ground of defective hearing. Will a notice sent out to-day notifying him that whereas his pension has heretofore been allowed on account of rheumatism and defective hearing, it now appears that he has neither?

Mr. MURPHY. It specifies the particular disability.

Mr. NORTHWAY. I never saw one but what stated in substance, "You are not disabled in a pensionable degree." That is equivalent to saying, "We dry you up at once."

The CHAIRMAN. Do I understand you to say to-day, when the Department reaches the conclusion that a man has survived his disability (as I understand such cases do occur), you state to him specifically just in what particular he has become non-pensionable?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. And then give him opportunity to show cause?

Mr. MURPHY. He has a full and fair opportunity, and let me say further, there are very few of those cases coming up now. The revision was completed long since, and I simply will not have any more while I am here.

Mr. BLUE. I would like to ask this question now: One of the most general complaints that comes to me about this pension business is that there are numerous blanks sent out stating that this case is awaiting investigation or examination of witnesses at some particular point in the country, perhaps many hundred miles from where the applicant now resides. Many parties who write to me say that has been the kind of reply they have been receiving from the Pension Office for months and sometimes for years. Without criticising your action in the matter at all, will you please explain to us about that so we may understand if there is any improper practices or if there is any advantage sought to be taken in any way in order to delay the granting of the pension in this way?

Mr. MURPHY. There is no such disposition at all; and let me say right here—you may refer, I presume, to cases referred to the special examiners in the field?

Mr. BLUE. No, sir; not wholly. Of course there are blanks of that kind and they breed complaints, but there is another class which refers to some witnesses or some party, usually not giving the name of witnesses, at some county or town or locality somewhere in the country, perhaps in the State from which the soldier enlisted.

Mr. MURPHY. We will speak about the first class first. Some time ago it was discovered that the special-examination division was behind with its work to the extent of over 24,000 cases; that is, there were 24,000 cases in arrears in that division with about 315 men to handle those cases in the field. They have been doing their best to get it up and it has been reduced to 15,000, and we will still get it down. That is the first class of cases referred to—cases in the field. The other class, I presume, is where the office is awaiting response to some inquiry made of witnesses in the case. You know for many years—as long ago as twenty-five years, to my own knowledge—in taking up the claims the examiner would read the testimony, and his duty was to

correspond with the witnesses unless the case was perfectly clear and correct. If the records of the War Department showed that the disabilities that the man claimed were received in the service there was very little correspondence, but the examiner would take all the affidavits and read them over carefully, and if there was anything out of the way he would write a letter to that man asking him to explain it and to tell fully all he knew about the claim for disability.

That may be the class of cases you are referring to, and I presume it is. Many cases await response to their inquiries to test the value of affidavits we have on file. Then, again, we want to know something about the character of the witnesses, as to whether they are creditable people, and that sometimes delays a case. We write to postmasters and different officials throughout the country to know whether so and so are reliable persons. If the answer comes back yes, we accept the statement. That is no new practice in the Pension Office; that is an old-time practice.

Mr. BLUE. Now, in that connection you readily understand that so far as the applicant is concerned he is powerless to do anything to aid that sort of an investigation?

Mr. MURPHY. Yes.

Mr. BLUE. He is in utter darkness so far as knowing who the parties you are seeking to investigate are or what the subject of investigation specifically may be?

Mr. MURPHY. Yes.

Mr. BLUE. Now I have in mind several instances; I do not know that I can call the names of the applicants now, but I have in mind some instances in which the party would receive two and sometimes three and maybe more communications from the Pension Department of a similar character indicating that the matter had been delayed from month to month and sometimes into years, giving the same reply, that it was being investigated at that point. If you know anything about abuses or neglect in that direction I would like to hear what you have to say about that.

Mr. MURPHY. About the special examination branch, I have explained that. There is a delay there which we can not help and we are pulling up. As to the other, I am cutting off the red tape as much as possible, and I have instructed the clerks not to make any calls in regard to the credibility of witnesses more than they can possibly help, but it becomes necessary in some cases to find out something about the witnesses, because it would not do to pay out money on the ex parte testimony we get there.

Mr. BLUE. I am not finding fault about that, but what I am seeking to do is to get information so, if possible, we may correct it if any correction is necessary, so that the Department shall not indefinitely postpone the matter.

Mr. MURPHY. There is no intention to postpone anything. Now I want to call attention to a statement in this report here:

"It is my purpose that every claim shall receive a fair, speedy, and impartial determination, but I must exact of those having business with the Bureau a compliance with the necessary rules and salutary regulations."

Now, the Pension Office is conducted, I think, as a business institution, but there will be complaints—

Mr. BLUE. I have no fault with you.

Mr. MURPHY. There will be complaints, you know.

Mr. NORTHWAY. Is not this true: Different cases fall into different clerks' hands, and two clerks might look at the evidence submitted in a different light; one clerk might be technical and the other not, and say the technical clerk writes a letter—you can not read all of them?

Mr. MURPHY. No; it is a physical impossibility.

Mr. NORTHWAY. And say that clerk sends out a letter which may be as foolish as possible in its demand for evidence. Now in that way is it not true there are diverse holdings, apparently, and diverse requirements?

Mr. MURPHY. In the same case?

Mr. NORTHWAY. In different cases, but involving the same case.

Mr. MURPHY. That will last as long as men have different judgments.

Mr. NORTHWAY. As it is, there are clerks there who impose hardships in sending out letters?

Mr. MURPHY. I have no doubt that is true.

Mr. NORTHWAY. Of course the Department is blamed for it.

Mr. MURPHY. But you can not make all men think alike. Unfortunately we have not got in the Pension Office such a class of clerks as I would like to see there. We have many old, decrepit people unfitted for work. We have people there (I do not know how they got in) who are unfitted for the work.

Mr. NORTHWAY. Here is the case of a mother who has been drawing a pension on account of the death of her son, who was a soldier. Now, of course, all the necessary proof had been made, showing enlistment, service, and death of the soldier. Now the mother dies and the father applies. Why, then, is there a necessity of compelling the father to make the same proof?

Mr. MURPHY. That is not the requirement at all. There may be a case where some stupid examiner did such a thing.

Mr. NORTHWAY. I sent out a letter yesterday in the case of a man 90 years old, Horace Giddings, whose wife was drawing a pension on account of the death of her son, and the letter contained two requirements on his part—first, the proof of the marriage to his wife; his disability; and second, the proof of the death of the son; and yet they had on record the proof of the death of the son.

Mr. MURPHY. That is simply the stupidity of some clerk, and I will thank you to send it back.

Mr. NORTHWAY. Of course, the proof is on file that the son had died.

Mr. BLUE. In regard to these cases where you seek witnesses at different points in the country, is there not some limit, some stopping place where you can finally end that fruitless effort and let the applicant either be pensioned or else let him understand fully what you want to get to further establish the fact that he is seeking to prove?

Mr. MURPHY. And I am trying to find that stopping place.

Mr. BLUE. That is one of the things I would like to have fixed.

Mr. MURPHY. I will try to fix that, and I have been inquiring into that matter myself. I do not want cases hung up indefinitely.

Mr. BLUE. You spoke awhile ago about the general law. What did you mean by that?

Mr. MURPHY. I referred to cases filed under the old pension law, before the act of June, 1890; cases filed under acts prior to 1890.

Mr. BLUE. I understood it, but I wanted to get it in the record. And your experience there indicates to you that a very large number of the cases pending under the old law were sidetracked after the law of 1890 went into effect?

Mr. MURPHY. Yes, sir.

Mr. BLUE. Another question. Is there any disposition in the Department to delay a claim under the old law by reason of the large amount it takes to pay it?

Mr. MURPHY. Not in the slightest, sir.

Mr. BLUE. It is the purpose of the office while it is under your control to adjust and allow a claim without regard to the amount involved if it is a proper claim?

Mr. MURPHY. If the amount is \$100 or \$1,000,000 it will go through, as far as I am concerned, if it is proper to go through.

The CHAIRMAN. And you adjudicate these cases judicially, the same as a judge, in your efforts to determine whether a man is entitled under the law to a pension or not purely and simply?

Mr. MURPHY. Yes.

The CHAIRMAN. The impression, you know, has been throughout the country that there was some disposition to allow the inadequacy of revenue and deficiency in the Treasury to influence the adjudication of these pension claims, but so far as you are concerned since you became Commissioner of Pensions that has not operated at all?

Mr. MURPHY. Not in the slightest, and I do not think it was ever justified.

The CHAIRMAN. It is just as much our purpose and desire to relieve oppression or wrong done against the Pension Bureau as it is to criticize, but that impression prevailed, however.

Mr. BLUE. Do increasing years of these old soldiers have anything to do with the increase in the amount necessary to meet the pension law? In other words, as they grow older do their disabilities increase and does it require more money to meet them?

Mr. MURPHY. Oh, yes; that is very true in a large number of cases.

Mr. BLUE. And that is an element in keeping this amount up to \$140,000,000?

Mr. MURPHY. Yes.

The CHAIRMAN. You think that the increased disabilities of pensioners, which increase will be recompensed by increased pensions when they apply and their merits are shown, will in a few years keep pace; that is, add as much to the pension rolls as the deaths will decrease it?

Mr. MURPHY. I do not know about that, as I can only guess at that, but I should think so from the calls to-day. It is unquestionably an element, but just how much it is nobody can say approximately.

Mr. BLUE. But the deaths of pensioners do not always lessen the amount of money required to meet the demands of the Pension Bureau because the children and heirs may increase the pensions?

Mr. MURPHY. Yes, sir.

Mr. BLUE. Are you able to state how many men who served in the army in the war for the Union now living have never applied for pensions?

Mr. MURPHY. I do not know that I can, but an estimate was made by Colonel Ainsworth, Chief of the Record and Pension Division, War Department, which I think is as nearly accurate as can be made, and he bases the estimate upon a great deal of data which he has at command. I think he stated in a report to the Secretary of War or Congress a year or two ago that there were 300,000 such men who have never yet applied. I may be wrong, but I think it is something like that. It is a matter to which I have not given any attention of late.

Mr. BLUE. As a matter of fact some of these men are applying from time to time for pensions and filing new applications?

Mr. MURPHY. Yes, sir; they are getting older. I think the average age of the survivors of the war is about 59.

Mr. BLUE. And the chances are a very large portion of those men will apply in the next few years for a pension?

Mr. MURPHY. Probably so.

Mr. BLUE. That is also another element in figuring this question of the amount of money you think should be put into this appropriation?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. Go to the next item, for fees and expenses of examining surgeons. Why do you leave out the language in brackets "And each member of such examining board, etc.?"

Mr. MURPHY. We want that in. I think it is a very proper thing to be in there.

The CHAIRMAN. Now, as to the amount of the estimate of \$750,000. I see on page 28 of the Commissioner's report that for the fiscal year ending June 30, 1896, the amount appropriated was \$800,000, and that the amount disbursed by United States pension agents was \$491,523.67, and that the balance remaining in the hands of the United States pension agents was \$58,476.33. I believe the payments to surgeons are made through the agents?

Mr. MURPHY. Yes.

The CHAIRMAN. Now the balance remaining in the United States Treasury was \$250,029, so that if we presume that the balance remaining in the hands of the agents was subsequently paid to the surgeons there is still a balance unexpended of \$250,000?

Mr. MURPHY. But let me say that for the quarter ending June 30, 1896, the agents would have to pay the surgeons for that particular quarter, and that has not been counted there.

The CHAIRMAN. This is for the disbursements for the fiscal year up to June 30, 1896?

Mr. MURPHY. But the accounts had not been rendered for that quarter for those surgeons.

The CHAIRMAN. Suppose you add that to the amount paid for the fiscal year of 1896, you would still have a large amount of money?

Mr. MURPHY. Yes.

The CHAIRMAN. Take the amount expended and the amount in the hands of agents, which is \$491.523 minus \$58,476, and add the \$181,063, and you have a balance of over \$70,000?

Mr. MURPHY. Yes.

The CHAIRMAN. Now, you have asked for \$750,000?

Mr. MURPHY. I asked for that simply for the reason I believe more cases will be handled during the next fiscal year than last, and that more examinations will be ordered before the board of surgeons.

The CHAIRMAN. This table does not state the amount expended during the fiscal year 1895.

Mr. MURPHY. The former report will show that.

Mr. BLUE. You think that \$750,000 will be necessary for the next fiscal year?

Mr. MURPHY. I thought so when I made the estimate. I probably could get along with \$700,000.

Mr. BLUE. I will say that amount always seemed very large to me.

Mr. MURPHY. It is unquestionably very large.

Mr. BLUE. If you can get along with \$700,000, so far as I am personally concerned I wish you would.

Mr. MURPHY. I think I can get along with that.

The CHAIRMAN. The item of salaries of eighteen agents for the payment of pensions at \$4,000 each is fixed by law.

Mr. MURPHY. Yes, sir; that is fixed by law.

The CHAIRMAN. The next item is for clerk hire. What about those brackets there?

Mr. BLUE. Had not that better remain as it is?

Mr. MURPHY. That had better remain as it is. I have been trying to carry out that proviso of the law there, and only recently I have called for the resignation of six or seven clerks at the New York pension agency because I find since the abolition of personal payments the large force they had there was not required. I found that New York had, I think, forty-one clerks with 59,000 pensioners on the roll, while your agency (speaking to Mr. Northway) at Columbus had double the amount of pensioners and ten less clerks, so I am trying to equalize that in accordance with that provision. I have also dropped out two clerks from the Boston agency.

The CHAIRMAN. But I see you ask for the same amount. Can not you get along with less?

Mr. MURPHY. My intention is to raise some of the lower-class clerks to a higher salary. Some of those clerks get \$600. That salary is not adequate for good service for a good clerk, and I propose to raise those to \$720, and those of \$840 to \$900; and I think that would be better, so as to get good service. That is my intention, anyhow.

The CHAIRMAN. Have you figured on that? Do you not think that could be reduced a little?

Mr. MURPHY. I hardly think that could be reduced.

The CHAIRMAN. You have relieved the Department of how many clerks?

Mr. MURPHY. Six at New York and two at Boston.

The CHAIRMAN. Anywhere else?

Mr. MURPHY. No.

The CHAIRMAN. What were they?

Mr. MURPHY. They were of different grades.

The CHAIRMAN. What is the average?

Mr. MURPHY. I can say about \$750 per annum, probably.

The CHAIRMAN. Is that all you have been enabled to reduce?

Mr. MURPHY. That is all.

The CHAIRMAN. Are you able to do away with any more anywhere else?

Mr. MURPHY. I think not, sir. As I say, the agency in Mr. Northway's State is doing hard work, but they get along very well, although they work hard, and I can utilize that little balance by raising the salary of the lower-class clerks, because we have really a good agency service.

The CHAIRMAN. You have no intention of requiring the resignation of any more clerks at these agencies and do not anticipate any during the next fiscal year?

Mr. MURPHY. No, sir.

The CHAIRMAN. Take up the item of fuel at \$250. Did you have enough money last year?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. You think that is all you will want this year?

Mr. MURPHY. Yes, sir.

Mr. BLUE. For lights you ask \$500, which is less than it was before.

The CHAIRMAN. Did you have enough money?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. And you do not want any more?

Mr. MURPHY. No, sir.

The CHAIRMAN. Go to the item for stationery and other necessary expenses. What are those other expenses; contingent expenses?

Mr. MURPHY. They are contingent expenses, file cases, etc.

The CHAIRMAN. Is that discretionary with the Commissioner?

Mr. MURPHY. Yes, sir.

Mr. BLUE. We cut that some last year.

Mr. MURPHY. Let me say, I want to have \$5,000 more there, because at some of the agencies there is sometimes an emergency which must be met quickly. They may want to employ a clerk two weeks or two months and we have not time to go to the Civil Service for one.

The CHAIRMAN. Then the words "exclusive of clerical services"—

Mr. MURPHY. I would like for you to cut that paragraph out.

Mr. BLUE. At the time we looked into that before we thought that was necessary to go in there because of the fact, as I remember, we thought it was subject to abuse in the hiring of extra clerks without a limit practically.

The CHAIRMAN. Have you the right to hire extra clerks in cases of emergency without going to the Civil Service Commission?

Mr. MURPHY. No, sir; and let me say when you formulated this bill last year the rule was then to employ a temporary force in all agencies at payment time for some days, and these temporary clerks were abolished by order of Secretary Smith and Commissioner Lochren, and I found myself hampered and the agents complained that they had not enough people to do the work. Take the city of Pittsburg, where they are delayed in making payments because they were very much cramped.

The CHAIRMAN. Let us get to understand it fully. You say that at the time of the framing and drafting of this proviso of last year the Commissioner had the power, or at least exercised it, to employ temporary labor in an emergency?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. Now, is that power gone by virtue of any order so you can not exercise it?

Mr. MURPHY. I can not, for the reason after the Secretary abolished it the Civil Service Commission came in and put its foot upon it, as the rules forbid the employment of clerks.

Mr. BLUE. In that connection, how do you get these extra clerks, if you have any?

Mr. MURPHY. I can not get them at all now.

Mr. BLUE. What objection do you have to having this in?

Mr. MURPHY. I want that stricken out. You see at this agency in the city here at the last payment the abolition of the temporary clerks worked a great hardship upon the agency and they were unable to make the payments in proper time, and I could not even give him a laborer for five or three days.

Mr. BLUE. There ought to be an approving power somewhere in regard to these extra services. It ought not to be left alone to the discretion of the agents at a particular point.

The CHAIRMAN. It never was.

Mr. BLUE. I understand you want that to go out?

Mr. MURPHY. I want the thing to stand.

Mr. BLUE. I misunderstood you, then.

The CHAIRMAN. How do you want that?

Mr. MURPHY. I want that paragraph left out.

Mr. BLUE. I understood that you wanted that left out.

The CHAIRMAN. And you want how much?

Mr. MURPHY. Thirty-five thousand dollars.

The CHAIRMAN. Will you let us take that out of this clerk hire at agencies?

Mr. MURPHY. Oh, no. I gave you \$50,000 off the examining surgeons.

Mr. BLUE. Do you want anything more taken out of this than simply the words "exclusive of clerical services"?

Mr. MURPHY. Let the whole paragraph go out.

The CHAIRMAN. If that is stricken out it enables you to hire labor for a week or two weeks if the emergency arises?

Mr. BLUE. That will not give these agencies any power at all, but will leave that matter simply to you?

Mr. MURPHY. Yes, sir; to the Commissioner of Pensions.

Mr. NORTHWAY. You are asking an increase of \$5,000 over your estimate?

Mr. MURPHY. Yes, sir.

Mr. BLUE. As you stated, if we drop this entirely out and increase this to \$35,000 that would simply give you discretion to increase this force temporarily when absolutely necessary?

Mr. MURPHY. Yes, temporarily.

Mr. BLUE. And that it would not empower the local pension agent to employ additional force without your sanction?

Mr. MURPHY. Oh, no; this fund is at the disposal of the Commissioner of Pensions.

The CHAIRMAN. Now, in the matter of rent, you estimated \$25,830.

Mr. MURPHY. I should like that increased to \$26,130, for I need an additional room at a rental of \$300 at Topeka, Kans., as the present quarters are cramped and inadequate.

The CHAIRMAN (to the clerk). Is there anything you can suggest, Mr. Courts?

The CLERK. Nothing I think of unless you might ask about the new public buildings coming into existence, which would relieve the expense of rental.

Mr. MURPHY. I made an effort to get a room in the new public building at Detroit and failed. The Secretary of the Treasury refused to let us have quarters for our agency, and we were compelled to hire quarters and pay rent.

Mr. BLUE. We had that matter before us and the opinion was in a year—

Mr. MURPHY. There is nothing now.

Mr. BLUE. Will there be before the year expires?

Mr. MURPHY. I do not know when this post-office building will be completed. I understand we can have quarters in it for the pension agency. I do not know of any other public building.

Mr. BLUE. Is not there a building in New York which can be used?

Mr. MURPHY. That is a building for appraisers' stores, but it will not be available, and we have to rent a place in New York to-day at a high rental. Now, about the pension agencies I want to make a suggestion to you gentlemen. I will not be at the Pension Office very long probably perhaps, and next year if you are in Congress you can think of the advisability of consolidating some of these agencies. There is the agency at Augusta, Me.; Concord, N. H., and Boston, Mass., which should be consolidated.

Mr. BLUE. Have you stated anything in your report about that?

Mr. MURPHY. They should be consolidated.

The CHAIRMAN. Are they fixed by statute?

Mr. MURPHY. No, sir; by Executive order of the President. He has the right to reduce the number of agencies, but not to increase them. Those three agencies should be put into one.

Mr. NORTHWAY. Would it work a hardship?

Mr. MURPHY. Not a bit; but you would hear from Maine and New Hampshire.

DECEMBER 7, 1896.

FURTHER STATEMENT OF MR. D. I. MURPHY, COMMISSIONER OF PENSIONS.

The CHAIRMAN. Mr. Murphy, at the meeting of the subcommittee on Saturday, Colonel Blue, a member of the subcommittee, called my attention to what he regarded as a discrepancy in the amount of the clerical force in the two pension agencies at New York and Topeka, alleging that the Topeka office paid a great many more pensioners than the New York office, but it appeared that there were more clerks employed in the New York office, than the Topeka office. He requested your presence here, and, I believe, intended to ask you to explain that matter. He is unavoidably absent for the moment, and I will ask you to make that explanation, which I will submit to him.

Mr. MURPHY. Yes, sir; there is a discrepancy, Mr. Chairman, between the number of clerks employed in the pension agency at Topeka and the number employed at the New York City agency, and it is proper to say right here that under the old system of making personal pension payments prior to the act of March 23 last, which abolished personal payments at the agencies, we had a larger force in New York City than at Topeka for the reason that there were a great many more personal payments and that entailed more work upon the agency and clerks. Now, since the abolition of personal payments by the act of March 23 last, I have been trying to equalize the force at the different agencies, and, as I remarked on Friday, I have reduced the force at New York by seven clerks, which is as much as I think safe to reduce it at the present time. The force at Boston I have reduced two clerks, and before making the reductions I made a personal investigation of the Eastern pension agencies, commencing at Augusta, Me., and running down, and I found that was all that could be taken from the service without doing some injury, at least for the present; and then upon my return I sent the chief of the finance division, who visited the Western agencies to see just what they needed, and after making the investigation, he reported they needed no additional clerks at all, that they were doing very well with the force of clerks on hand; so I have not increased the force at Topeka.

The CHAIRMAN. How many clerks are employed at the Topeka agency?

Mr. MURPHY. Thirty-four clerks.

The CHAIRMAN. How many are employed in the New York agency?

Mr. MURPHY. Forty-one clerks.

The CHAIRMAN. There is a difference of seven clerks?

Mr. MURPHY. Yes, and Topeka pays about twice as much pensioners as New York City; that is true.

The CHAIRMAN. Now, since the pensioners are paid by check, is there any reason for any more clerks in the New York agency in proportion to the number of pensioners paid than at Topeka?

Mr. MURPHY. There really is not, and I propose to cut it down.

The CHAIRMAN. What is the number of pensioners paid at the Topeka agency?

Mr. MURPHY. One hundred and five thousand and forty-one.

The CHAIRMAN. And what at the New York agency?

Mr. MURPHY. Fifty-two thousand six hundred and ninety-six.

The CHAIRMAN. About twice as many pensioners?

Mr. MURPHY. Yes, at Topeka.

The CHAIRMAN. Then under your statement it will be possible for you to reduce the clerical force at New York about one-half?

Mr. MURPHY. I propose to reduce it still further; yes.

The CHAIRMAN. In that event will you require all the money that is estimated for the clerical force for pension agencies?

Mr. MURPHY. Only, as I said the other day, to equalize the salaries of the clerks at the different agencies.

The CHAIRMAN. You propose to increase the salaries of the clerks at some of the agencies?

Mr. MURPHY. Yes, sir; so as to enable them to get a living.

The CHAIRMAN. What are the salaries paid those clerks now?

Mr. MURPHY. From \$600 up to \$1,600 and \$1,800.

The CHAIRMAN. They are mostly women?

Mr. MURPHY. There are a great many women.

The CHAIRMAN. At what do their salaries range?

Mr. MURPHY. They are in all grades. The chief clerk in your city is a lady who gets \$2,000 a year.

The CHAIRMAN. That is in Pittsburg?

Mr. MURPHY. Yes.

The CHAIRMAN. And most of them get what; \$50 per month?

Mr. MURPHY. About \$50 a month.

The CHAIRMAN. Who has the power to change these salaries?

Mr. MURPHY. The Commissioner of Pensions.

The CHAIRMAN. And you propose to increase these clerks' salaries from \$50 a month to what figure?

Mr. MURPHY. To \$60 a month, giving them \$720 a year; and those getting \$720 a year should be increased to \$900.

The CHAIRMAN. And you will be able to do that without any additional appropriation, by your reduction of the clerical force at New York and other places?

Mr. MURPHY. I think so.

The CHAIRMAN. That is your purpose and object in asking for the same amount?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. We gave you the same amount last year?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. There are a large number of pensioners paid at the Ohio agency?

Mr. MURPHY. Columbus has nearly as many as Topeka, 104,492.

Mr. BLUE. Is it your purpose to increase the salaries of the employees in the Western agencies in the same proportion as you do those in the Eastern agencies?

Mr. MURPHY. Yes, sir.

Mr. BLUE. Have you done anything in the way of increasing salaries except in the Eastern agencies?

Mr. MURPHY. Not at this time; no, sir. There has been no opportunity except an occasional promotion of a clerk when a vacancy occurs.

Mr. BLUE. What do you mean by that?

Mr. MURPHY. That is where a clerk resigns at a high rate of salary, say, and that gives us a chance to put in one or two lower clerks. That is to say, where a man receiving \$1,200 resigns and leaves a vacancy.

Mr. BLUE. Do you mean by that that you simply will increase the salaries by promoting some lower clerk to the higher place?

Mr. MURPHY. Yes, sir.

Mr. BLUE. Do you have it in mind to increase the salaries of any of those clerks unless there are vacancies to which others can be promoted?

Mr. MURPHY. As I said, I intend to utilize the money saved by the reduction of seven clerks in New York and two in Boston to increase salaries generally; I will utilize that money for the purpose of increasing some of these lower salaries. That will give a lump sum of \$5,000 or \$6,000.

Mr. BLUE. Do you really regard it as necessary to increase these salaries?

Mr. MURPHY. Some of these clerks get only \$600 a year, \$50 a month, and that is a small sum of money for good service.

Mr. BLUE. But you are aware, Mr. Commissioner, that with the present tendency of public sentiment there is a conviction abroad among the people that the purchasing power of the dollar is of such magnitude that increasing salaries is not popular?

Mr. MURPHY. That may be so, sir.

Mr. BLUE. If these salaries are not increased, is it not possible to lower this appropriation?

Mr. MURPHY. Why, certainly, the money could go back into the Treasury.

Mr. BLUE. On the theory these salaries are not to be increased, how much can we safely take from the estimate?

Mr. MURPHY. Well, I should say not more than \$10,000 at the very outside.

Mr. BLUE. Do you think we may do that if the salaries are not to be increased?

Mr. MURPHY. Yes; but, Mr. Blue, I think it is very poor economy.

Mr. BLUE. That may be, Mr. Commissioner, but with a constant deficit in the Treasury and no immediate prospect of an increase in the revenues, would it not be unadvisable to attempt to advance salaries at this time?

Mr. MURPHY. The advance would be very trifling all along the line, and it would not reach around then, even by the saving of \$6,000 or \$8,000 or \$10,000 in all the pension agencies with their 489 clerks.

Mr. BLUE. But these trifling amounts of \$10,000 and \$20,000 in the aggregate amount to a considerable sum?

Mr. MURPHY. That is very true.

Mr. BLUE. But if we do this in one instance it will be a precedent, perhaps, for a demand for advance in others?

Mr. MURPHY. I knocked off \$50,000 the other day in one item.

Mr. BLUE. Yes, I appreciate that, but that really ought not to prevent our economizing here if it is judicious and proper to do it.

The CHAIRMAN. Is it not now in the power of the Commissioner of Pensions to transfer clerks from one pension agency to another?

Mr. MURPHY. Yes, sir.

Mr. NORTHWAY. How long have the salaries which you propose to raise remained as they are now?

Mr. MURPHY. That is very hard to answer. They have been so for many years I know, but just how long I can not say.

Mr. NORTHWAY. Has not the necessity for an increase existed to a greater extent during the years past than now?

Mr. MURPHY. I do not know that it has to a greater extent.

The CHAIRMAN. Is it not a fact that clerks at the pension agencies are the lowest paid clerks of any clerks in the Government service anywhere?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. And, secondly, is it not a fact it is only a short time since that pension agents were allowed to employ their own clerks at such rates as they saw fit to make between themselves and their clerks by contract?

Mr. MURPHY. That is true.

The CHAIRMAN. And the pension agents were paid a commission or lump sum for their services and the services of their clerks, and they had power to employ them just as cheap as they pleased; and is not that an explanation of the fact that these are the lowest paid clerks of any in the service?

Mr. MURPHY. That is one explanation.

The CHAIRMAN. And, then, at a comparatively recent date the clerks became Government clerks?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. And they are now paid out of the Treasury?

Mr. MURPHY. Yes, sir.

The CHAIRMAN. And they have nothing to do with the pension agent further than he has supervision over their employment, and their wages have now become a matter of disbursement out of the Treasury, the same as other clerks, but they keep on at the rate which has been fixed by contract?

Mr. MURPHY. That is true in many instances.

The CHAIRMAN. Is not that so in all?

Mr. MURPHY. Probably it is.

The CHAIRMAN. I remember in our agency the pension agent employed his own clerks and fixed the compensation as he pleased.

Mr. MURPHY. Yes, sir; let me say about pension agency clerks, that not only are they the lowest paid clerks in the Government service, but they are the hardest worked clerks in the Government service.

Mr. BLUE. I appreciate that you want to do what you think is right in this, but we are doing what we conceive to be for the best interests of the service; but is it not a fact that the character of the work done by these clerks is in the main a very simple order of work; there is nothing intricate about it; it is largely mere copying?

Mr. MURPHY. Oh, no, sir.

Mr. BLUE. I mean it is largely mere routine, writing names in checks, vouchers, etc.

Mr. MURPHY. But it is a very important work writing names in checks; those checks carry a great deal of money.

Mr. BLUE. But this is a class of work that a fair penman can do?

Mr. MURPHY. I am afraid not. You take a clerk at an agency and he must estimate the amounts paid upon certain vouchers.

Mr. BLUE. What kind of salaries do they get?

Mr. MURPHY. All the way from \$600 up.

Mr. BLUE. What do you mean by \$600 up?

Mr. MURPHY. Some get \$600, some get \$720, some \$840, some \$900, some get \$1,000, and some \$1,200.

Mr. BLUE. It is undoubtedly those who have the most intricate work who get the highest salaries?

Mr. MURPHY. I am not quite sure that is true.

Mr. BLUE. Is it correct?

Mr. MURPHY. Well, I can hardly answer that question, because the pension agents arranged the salaries of their clerks before I became Commissioner of Pensions.

Mr. BLUE. As a business proposition they should have the arrangement?

Mr. MURPHY. They should have the arrangement, unquestionably.

Mr. BLUE. At the Soldiers' Homes of the country I find the habit to be to turn the money over to the treasurer of the Home, and he pays it to the pensioners.

Mr. MURPHY. Yes.

Mr. BLUE. Now, do the agencies to which that money is sent get credit for the work done at the Soldiers' Homes of distributing it to the pensioners there?

Mr. MURPHY. Certainly, sir.

Mr. BLUE. Is it not a fact that the work for many thousands of these pensioners is largely done by the force in the treasurer's office at the Soldiers' Homes?

Mr. MURPHY. No; the work must be done at the agencies all the same. Every voucher has to be reviewed to see that it is correct and proper, and to see that the dates and amounts are correct. The only difference in these payments is that the

pension agent sends his draft in a lump sum to the treasurer of the Home instead of the individual checks. There is that much work saved, as there is only one check for the amount.

Mr. BLUE. These checks are not made up in severalty at the pension agencies at all?

Mr. MURPHY. Not in that particular class of cases.

Mr. BLUE. Are they not made up by the force of the treasurer at the Home?

Mr. MURPHY. Yes, sir.

Mr. BLUE. Well, that much work is saved the pension agent.

Mr. MURPHY. Yes, but in the making out of checks there is one clerk at each agency doing that work—one designated clerk who signs checks.

Mr. BLUE. Is that all the saving of work by this method of turning the money over to the treasurer of the Home?

Mr. MURPHY. I think that is about all, sir.

Mr. BLUE. Have you had occasion to look into that?

Mr. MURPHY. Yes, sir.

Mr. BLUE. That is a matter I desire to be informed of, and Mr. Kent of the Inspector General's office is here and he has had occasion to look into that, and with the consent of the committee I will ask him some questions when we get through with the Commissioner. Now, Mr. Commissioner, in regard to rent, is it not a fact that with the change which discontinued personal payments of checks less room for offices is required?

Mr. MURPHY. That will be true of some agencies; yes, sir.

Mr. BLUE. That being true, is it not possible to reduce the amount of the estimate made by you for rent?

Mr. MURPHY. That is a rather difficult question to answer, and there are many reasons which makes an answer difficult. You take New York City as an instance: The agency has been in that one spot for a great while, and everybody knows where it is. To move that agency would entail great expense. We would have to have an office, in the first place, where there is a fine vault for the storage of papers, check books, etc. We have to have room for clerks, and we would have to have good light. There are many things to be taken into account, and if we get cheap quarters it will simply cripple the service. I find here we are paying now \$25,830 for rent at the different agencies. There are eight agencies for which we have to pay rent. There are eighteen, all told, and the balance of ten agencies are in Government buildings; and, so far as I am concerned, I would like to see them all in Government buildings if it were possible to have them.

Mr. BLUE. I understand that the agency at Buffalo has moved out of the Government building and been put into a private building, for which rent is now being paid?

Mr. MURPHY. We pay rent at Buffalo to the amount of \$2,928 a year.

Mr. BLUE. Did not we make an appropriation of \$3,000 for rent at Buffalo last year?

Mr. MURPHY. Yes, sir; and we paid \$2,928 at Buffalo.

Mr. BLUE. What do you know about that?

Mr. MURPHY. I do not know that I know much about it, but I will look the matter up and advise you later—to-day or to-morrow.

Mr. BLUE. I remember when we were investigating that last year we thought they could get along without the rent which they asked, but that matter was finally placed in the appropriation bill upon conference, and my mind is impressed with the idea that we expected that year would be the last we would be required to make that kind of appropriation?

Mr. MURPHY. I do not recall the facts in regard to that agency, but I will let you know very promptly.

Mr. BLUE. Will you advise us when you go to the office about it, so we may know?

Mr. MURPHY. Yes, sir.

Mr. BLUE. Now, there is a public building in course of construction at Detroit?

Mr. MURPHY. Yes, sir.

Mr. BLUE. We thought, as I now recall it, a year ago that by this time, at least, the pension agency could go into that public building and rent would be saved there. Are you able to state anything about that?

Mr. MURPHY. I understand we are not to have quarters in that building for the pension agency service at all. That is my understanding.

Mr. BLUE. From what source is that derived?

Mr. MURPHY. I think that came from the Treasury Department; I think it did.

Mr. BLUE. Do you know why that is so; is it because there is not sufficient room there, or because the Treasury Department simply does not wish to have you there?

Mr. MURPHY. No; I presume there is no room, but I will look into that matter when I get back to the office.

Mr. BLUE. Wherever a pension agency could be conveniently kept in a public building it ought to be.

Mr. MURPHY. Unquestionably so.

Mr. BLUE. Are you able to reduce that estimate which you have made for rent?

Mr. MURPHY. I think not, Mr. Blue. If I were assured our agencies would be placed in Government buildings I would be glad to do it, but I do not know that fact.

Mr. BLUE. Will you look into that matter and let us know briefly as soon as you can how that is?

Mr. MURPHY. Yes, sir; I will do so just as quickly as I can.

Clerk hire for the fiscal year 1897.

Agency.	Number of clerks.	Salary per annum.	Rent.
Augusta	10	\$8, 580	.....
Boston	29	29, 000	.....
Buffalo	28	24, 280	\$2, 928
Chicago	36	32, 820	.....
Columbus	38	36, 600	.....
Concord	11	9, 540	.....
Des Moines	31	25, 540	.....
Detroit	23	21, 420	2, 400
Indianapolis	34	33, 100	2, 500
Knoxville	23	23, 240	.....
Louisville	15	12, 220	.....
Millwaukee	23	20, 420	2, 500
New York City	41	37, 280	10, 000
Philadelphia	34	31, 940	.....
Pittsburg	36	27, 700	.....
San Francisco	12	10, 000	1, 872
Topeka	34	35, 000	2, 250
Washington	31	31, 260	1, 880
Total	489	450, 000	25, 830

STATEMENT OF MR. WILLIAM T. KENT, INSPECTOR-GENERAL'S OFFICE.

Mr. BLUE. What office do you hold?

Mr. KENT. I am accountant in the Inspector-General's Department.

Mr. BLUE. Have you in the discharge of your duties had anything to do with the examination of Soldier's Homes?

Mr. KENT. Yes, sir.

Mr. BLUE. Will you state briefly and succinctly to the committee what you know about the manner of pension payments there and how the work is performed?

Mr. KENT. By examination of the pension accounts of the treasurers of the several Branch Homes it appears that the amount due the members of each Branch Home is transmitted by the pension agent to the Branch treasurer in one sum—that is, for the quarterly lists—and then in separate sums as they may become due during the month, pensions that may be allowed to the members since the date of the last quarterly pension. These receipts are acknowledged by the treasurers of the Branch Homes, and the accompanying list is recorded on the books of the treasurer, an account being opened with each member who receives a pension. Then when the members wish to have any of their pension money, they make application to the governor of the Home for so much pension money as they may want for their purpose, stating why they want it; and if the governor approves the application, the treasurer is authorized to pay the amount that is approved.

The governor does not always approve the amount requested, and in their application they state whether they want the money paid in cash or whether they want it by check and to whose order the check shall be drawn. The members frequently draw their pension to remit to their families. These amounts then are placed upon the roll and upon the designated day for the payment of pensions, which is once a month, the treasurer pays the members in currency to those who wish it that way, and in checks to those who desire the money to be transmitted to their families or friends. The treasurer then makes up a receipt in duplicate for each payment made to each pensioner and transmits that receipt, with a certificate, to the pension agent; and thus, for each payment of a pension made, the treasurer has to make out, as it were, three vouchers. These amounts then are charged to the pensioner's account, showing the amount that may be due him for the next remittance. There is a regular personal account with each pensioner. I will say further that the clerks who are employed on this pension work are paid from what is called the "post" fund of the Homes; that is, it does not come out of the Congressional appropriation made

for the support of the Home, but from the profits that accrue to the Homes from the sale of beer, the store, restaurant, and sundry sources which go to the post fund.

Mr. BLUE. I will ask you if you have any suggestions to make in this matter as to how that service might be bettered?

Mr. KENT. Well, I will say that our inspection of the Homes showed that during the fiscal year ending June 30, 1896, there were 16,717 pensioners present at the Homes on the close of that day, and there has been disbursed to the pensioners during the year \$2,248,494.97. Of this amount there was paid in currency—that is, in personal payments to the men—\$1,655,723.78, and by check \$594,009.71, and the cost of paying those pensions to the Homes charged against the post fund was \$9,228.30. It seems to be regarded as somewhat of a hardship that this cost shall be borne by a fund which was primarily created for the betterment of the post and for an amusement fund, as it were, and taken from the savings of the men, and inasmuch as there was an annual appropriation made to the Pension Office for the payment of these clerical expenses, it was thought a due proportion ought to be allowed to these Branch Homes for the services performed by these Homes in paying these payments to the pensioners and thus relieving the pension agencies of these check and currency payments; and I would suggest the following: "That the Secretary of the Interior shall pay to the treasurer of each Branch of the National Home for Disabled Volunteer Soldiers, from the appropriation for payment of clerical services at pension agencies, a sum proportionate to the number of pensioners paid at such Branch Homes."

Then there is another point in connection with this to which our attention was called at some of the Homes, and that is the large number of signatures required of these treasurers in the transaction of this business. The treasurer of the Southern Branch reports that in addition to these payments he is required to spend sixty evenings annually by artificial light in the simple matter of signing the regular quarterly pension vouchers, which require 40,000 signatures annually from him alone. The pensioners give a receipt to the treasurer but the treasurer is obliged to give his receipt for each payment to the pension agent, and he has to sign for each of these payments his name three times, and we ask an amendment here in addition to this to relieve him of this simple perfunctory work, as it were: "And the treasurer of said Branch Homes may, with the approval of the Secretary of the Interior, designate a clerk to sign for him the individual receipts filed with his accounts for pensions paid by him: *Provided*, That the bond given by the treasurer of the Branch Homes to secure a faithful accounting for all pension funds received by him shall be held to apply to and cover the acts of the person appointed to sign said receipts."

This is in line with the authority now granted to pension agents to allow them to designate a clerk to sign checks for them.

"*Provided*, That the Secretary of the Interior shall pay to the treasurer of each Branch of the National Home for Disabled Volunteer Soldiers, from the appropriation for payment of clerical services at pension agencies, a sum proportionate to the number of pensioners paid at such Branch Homes; and the treasurers of said Branch Homes may, with the approval of the Secretary of the Interior, designate a clerk to sign for him the individual receipts filed with his accounts for pensions paid by him: *Provided*, That the bond given by the treasurer of the Branch Home to secure a faithful accounting for all pension funds received by him shall be held to apply to and cover the acts of the person appointed to sign said receipts."

The CHAIRMAN. Commissioner Murphy has been figuring upon this matter of clerical hire, and thinks he can submit some reductions.

Mr. MURPHY. Seeing the disposition and desire of the committee in this matter, I have been figuring since Mr. Kent has been talking, and I think now you may cut the item for clerical hire at agencies \$20,000, but it would not be safe to reduce it any further than that. That would be reducing it from \$450,000 to \$430,000.

